



Mayor Jean Stothert
City of Omaha Mayor's Office
1819 Farnam Street, Suite 300
Omaha NE, 68183

June 18, 2013

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Gary Wasdin
Library Executive Director

Dear Mayor Stothert,

OPL's executive director, Gary Wasdin, has advised the Library Board that the library has been asked to plan for a budget reduction for the remainder of 2013 and for 2014 as follows:

2013

Initial budget allocation	\$13.34 million
Proposed reduction	\$175,000 (-1.3%)

2014

Proposed allocation	\$13.12 million
Proposed reduction	\$217,787 (-1.6%)

Many costs will increase in 2014, including benefits, custodial and facility contracts, and print and digital resources. With this consideration, cuts are closer to \$600,000. A "flat" budget that provides OPL the same buying power as 2013 would be approximately \$13.8 million. Anything less than this will require reductions in both services and resources.

You are aware of the seriousness of the suggested budget reductions, and we want to provide you with an outline of the scenarios that will be presented to the trustees at the June public meeting, on Wednesday June 19. Scenarios that the Board will be discussing are attached for your information.

We look forward to working with you to ensure that our community has the best library system possible.

Sincerely,

Stuart Chittenden
President, Board of Trustees

cc. City Council Members, Marty Bilek, Mayor's Chief of Staff, Patrick Bloomingdale,
Douglas County Commissioners

Budget Reductions - 2013 and Proposed 2014

The library has been asked to plan for a budget reduction for the remainder of 2013 and for 2014, as follows:

- 2013 Budget Allocation: \$13.34 million
2013 Proposed reduction: \$175,000 (1%, although magnified by taking it halfway through the year)
- 2014 Proposed Allocation: \$13.12 million
2014 Proposed reduction: \$217,787 (from 2013 initial allocation)

The above cuts are magnified because the following costs will increase in 2014. These costs are either fixed, or contracted services, with less flexibility to adjust them:

- Staff benefit costs are increasing. This increase accounts for approximately \$170,000 in additional costs for 2014, even when holding staffing levels flat.
- Custodial contract expires in 2013 and must go out for bid. We expect a significant increase in the cost for this service.
- Snow removal and lawn care contracted costs will rise.
- Materials costs for books, e-resources and other collection items are expected to rise by 5-10% in 2014.

Because of the above, cuts are closer to \$600,000. A “flat” budget providing us the same buying power as 2013 would be approximately \$13.8 million. Anything less than that would require reductions in services and resources.

71% of total costs are staffing

13% of total costs are books and materials

(These percentages place OPL right alongside peer libraries, where the average is about 70% of the budget spent on personnel, and 15% spent on materials)

To achieve the cuts requested for 2014, the following reductions are proposed:

Eliminate Librarian 2	(\$64,400)	Reduce Maintenance Contract	(\$15,000)
Eliminate Librarian 3	(\$86,800)	Reduce Computer Software	(\$10,000)
Eliminate Library Specialist	(\$53,000)	Reduce Computer Software	(\$4,000)
Eliminate Clerk 2 (2)	(\$75,600)	Reduce Books	(\$120,000)
Reduce Part Time Staffing	(\$70,000)	Reduce Videos	(\$25,000)
Reduce Printing Budget	(\$6,720)	Reduce Audiobooks	(\$16,294)
Reduce Professional Fees	(\$15,000)	Reduce Online Resources	(\$50,000)
Reduce Contract Services	(\$35,000)	Reduce Materials Processing	(\$5,000)
Reduce Programming	(\$20,000)	Reduce Furniture and Fixtures	(\$25,000)

The following scenarios present several options that address how OPL would cut services and resources to best manage these reductions.

Scenario #1

- Close W. Clark Swanson Branch
- Reduce number of programs systemwide by 30%
- Reduce number of printed books purchased systemwide by approximately 4,500 titles
- Cancel Tutor.com subscription

Why Swanson?

- Possible move to Crossroads would replace branch, opening in Summer 2015
- 18 months with no library service in area, assuming funds are available for Crossroads project or to reopen Swanson at existing location
- Neighborhood residents could use Abrahams Branch which is 3 miles north (8 minutes driving time) or Millard Branch 6 miles west (12 minutes drive time)
- Staff would be shifted to other locations to facilitate continual operations elsewhere
- Swanson book drops could remain in service and be emptied regularly
- Friends of OPL would remain in operation at Swanson
- Most Swanson Branch users have access to a car, and can travel to another branch
- Large enough to have cost savings impact, but not busiest/largest branch
- Branch Manager and Clerk 2 vacancies at Swanson currently
- Least disruptive to system as a whole

Swanson Statistics

January 1 – May 30, 2013

Circulation 93,285 (3rd highest out of 12)

Gate Count 53,229 (7th highest out of 12)

Scenario #2

1. Close Florence Branch
2. Close W. Dale Clark Library on Sundays
3. Close Millard Branch on Fridays
4. Reduce number of programs systemwide by 30%
5. Reduce number of printed books purchased systemwide by approximately 4,500 titles
6. Cancel Tutor.com subscription

Why Florence?

- Smallest branch, serving fewest number of community members
- Lowest gate count and second lowest circulation in system
- Branch manager shifted to cover vacancy at Swanson Branch
- Other staff would be shifted to other locations
- Washington Branch located 3 miles south (8 minutes driving time)
- Abrahams Branch located 8 miles west (12 minutes driving time)

Florence Statistics

January 1 – May 30, 2013

Circulation 23,225 (11th highest)

Gate Count 30,328 (12th highest)

Scenario #3

- Reduce hours/days of service at all libraries but keep all locations open
- Reduce Florence, Sorensen, Swanson and Willa Cather branches to 4 days of service
- Reduce W. Dale Clark and Millard Branch to 6 days of service
- Reduce number of programs systemwide by 30%
- Reduce number of printed books purchased systemwide by approximately 4,500 titles
- Cancel Tutor.com subscription

Allows all communities to maintain their library at reduced hours and days of service. Staff are shared throughout the system with staggered closing days.

More challenging to manage due to larger scale impact.